

**EXECUTIVE SECRETARIAT**  
ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS				
5	DDI		X		
6	DDA		X		
7	DDO		X		
8	DDS&T		X		
9	Chm/NIC				
10	GC		X		
11	IG				
12	Compt		X		
13	D/Pers				
14	D/OLL		X		
15	D/PAO				
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19	NIO				
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21					
22					

SUSPENSE 7 Feb 85  
Date

Remarks

STAT

3637 (10-81)

*cmj*  
*for*  
Executive Secretary  
30 Jan 85  
Date

Executive Registry

85-

283/1

30 January 1985

MEMORANDUM FOR: Director of Personnel

FROM: Executive Assistant to the DDCI

Bob,

In John's absence, would you please get together with the right people and prepare an appropriate answer for Jim Taylor's signature. Concern was expressed at this week's staff meeting that we should not move just to protect CIARDS people, but to work out something that would protect all Agency people. Gates accordingly suggested any memos on this should be coordinated with all the Deputies. Would think Jim would want to do that.

Thank,



Attachment:

Letter from Joe Wright/OMB dtd 29 Jan 85  
(ER 85-283)

Info: DCI w/att  
ExDir w/att  
DDA w/att  
2-DDCI  
ER File



→ P-132



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503  
January 29, 1985

Executive Registry

105-283

MEMORANDUM FOR JOHN MCMAHON  
FROM: JOE WRIGHT  
SUBJECT: CIA Retirement Plan

John -- this memo follows up on our conversation concerning the status of retirement changes in the CIA.

The CIA had been informed in the passback that the reform proposal included in the Budget for the Civil Service Retirement System, which covers the general Federal workforce, would also be proposed for the CIA's special retirement plan.

However -- the major proposed change -- the penalty for retirement before age 65 -- has been modified to reflect the fact that CIA now has an earlier retirement age, age 50 instead of age 55, when full benefits are payable. The change for CIA would introduce a reduction in the retirement benefit of 5 percent for each year the employee is under age 60 at retirement. The reduction would be phased in for employees over 40, with no effect on those already age 50. The full penalty would reduce benefits at age 50 by one half of what is payable under the current system.

The penalty for pre-60 retirement is also proposed for the Foreign Service Retirement System.

The rest of the changes proposed for Civil Service Retirement would also apply to CIA retirement:

- o No cost-of-living adjustment would be given in 1986.
- o Subsequent COLA's would be the lesser of the CPI or General Schedule pay increase. Fifty-five percent of the COLA would be given to that portion of an annual benefit over \$10,000. The \$10,000 would be increased by each COLA.
- o The salary base for calculating the benefit would change from the high-three to high-five average salary, credit for unused sick leave would be phased out.
- o Student benefits and the minimum annuity would be eliminated for the future and benefits for the surviving spouses of deceased workers would be payable when there are minor children and when the spouse is over age 60 -- these changes parallel Social Security provisions.

Thanks for your call -- I hope this adjustment takes care of the problem.